

CHAPTER 73-02-06
REGISTRATION OF DEALERS, SALESMEN, AND INVESTMENT ADVISERS

Section

73-02-06-01	Dealer Accounts and Records
73-02-06-02	Examination of Investment Advisers and Their Representatives
73-02-06-03	Registration and Renewal [Repealed]

73-02-06-01. Dealer accounts and records.

1. **Segregated accounts.** Dealers shall at all times keep their customers' securities and funds in trust and segregated from their own securities and funds.
2. **Multiple businesses - separate records - commingling assets - division of income and expenses.** Dealers engaged in more than one business:
 - a. Shall maintain separate accounts, books, and records relating to their securities business and their other businesses.
 - b. Shall not commingle assets of their securities business with assets of their other businesses.
 - c. Shall maintain a clearly defined division with respect to income and expenses between their securities business and their other businesses.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 10-04-11(3)

73-02-06-02. Examination of investment advisers and their representatives.

1. **Examination.** An applicant for registration as an investment adviser, including each partner, officer, director, or person occupying a similar position or performing similar functions if the applicant is a form of business association, and each person representing an investment adviser in this state shall take and pass a written examination covering the securities business, the Securities Act of 1951 and the rules and regulations adopted thereunder, and such other subject matter areas as the commissioner may prescribe.
2. **Exemption - exception - waiver.**
 - a. Except as otherwise provided hereinafter, those persons who are registered as investment advisers on the effective date of

this section shall be exempt from the examination requirement imposed hereunder.

- b. The commissioner may require any registered investment adviser or any person representing a registered investment adviser in this state to take and pass the written examination prescribed hereunder.
- c. The commissioner may waive that part of the written examination relating to the securities business upon receipt of evidence that a person has passed a comparable examination administered by the securities and exchange commission, the national association of securities dealers, incorporated, or the New York stock exchange, incorporated, or has otherwise demonstrated to the satisfaction of the commissioner that the person is qualified to transact business in this state as an investment adviser on the basis of knowledge, training, and experience.

General Authority: NDCC 10-04-10(3)(g)

Law Implemented: NDCC 10-04-10(3)(g)

73-02-06-03. Registration and renewal. Repealed effective October 20, 2004.